

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 2029 - SB 1705**

March 24, 2011

**SUMMARY OF BILL:** Requires local education agencies (LEAs) to pay for educational services, in an amount equal to the amount paid to public schools, for youth in state custody who attend educational programs administered by a provider contracted with the Department of Children's Services (DCS). Requires contractors to record the average daily membership in twenty-day periods and include the number of students for whom the contractor has provided education, the number of days those services were provided, and the school district of origin of each student. Authorizes the contractor to submit these records to the school district of origin in order to receive service payment.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Expenditures - \$1,737,000**

**Increase Local Expenditures - \$1,737,000\***

**Assumptions:**

- According to DCS, there are 844 children in DCS contractor-provided educational programs.
- Currently the state pays 100 percent of the educational funding through the BEP for students in state custody. According to the Department of Education, the state and local combined BEP per pupil amount exclusive of the federal portion is \$5,947 with \$3,889 in state funds and \$2,058 in local funds.
- The state will decrease funding in the amount that the local government will pay under the provisions of this bill but will continue to pay for the state portion of the BEP per student.
- The increase in local expenditures will be \$1,736,952 (\$2,058 x 844) and state expenditures will decrease by \$1,736,952.

*\*Article II, Section 24 of the Tennessee Constitution provides that: No law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

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